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Congress of the United States
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April 5, 2011

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The Honorable Julius Genachowski,
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Genachowski:

I am writing to you regarding the FCC's current efforts to reform the universal service (USF) program and intercarrier compensation system (ICC). I support making these programs more accountable and encourage the FCC to develop a smooth and predictable transition toward reform.

The USF and ICC are extremely important mechanisms for increasing broadband access for rural Georgians. The country has made significant progress in linking small communities, such as those in southwest Georgia, with our urban centers and global markets through communications. These investments have been made through loans, loan guarantees, grants, and significant private sector support to build infrastructure in sparsely populated and remote areas which would not otherwise be served.

As part of ongoing reform efforts, the FCC is reviewing a number of new and reformed program restraints, benchmarks, and formulas intended to make universal service more efficient. The FCC also is implementing a new intercarrier compensation system. The FCC should execute these reforms in a way that manages the providers' transition.

I would welcome your response to a few brief questions. In particular, could you describe how the FCC will specifically account for the impact any changes to USF and ICC may have on service providers who are also RUS borrowers? Will the FCC conduct a thorough analysis of USF and ICC changes and the potential impact of those changes on RUS borrowers' ability to repay loans? Furthermore, will you conduct such an analysis before making any changes to USF and ICC rules?

I would be grateful for your timely response to these questions. I look forward to working with you to ensure that the investments our nation makes in telecommunications infrastructure will connect rural America and grow our economy for the future.

With warmest regards, I remain

Sincerely yours,

Sanford D. Bishop, Jr.
Member of Congress

12 APR 2011 RCD

WCB
ICC
USF High
Cost
480



FEDERAL COMMUNICATIONS COMMISSION

May 31, 2011

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Sanford D. Bishop Jr.
U.S. House of Representatives
2429 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Bishop:

Thank you for your letter regarding the Commission's current efforts to reform the Universal Service Fund and the intercarrier compensation system. I understand and share your concern that these reforms should be designed so that they adequately consider potential impact on existing investment in rural areas.

The Commission is mindful of the fact that changes to the Universal Service Fund and intercarrier compensation system may affect providers serving rural areas that receive public funding from other governmental agencies such as the Rural Utilities Service (RUS). A reformed, broadband-focused Universal Service Fund and intercarrier compensation system should complement RUS's efforts to spur broadband build-out in rural America through public-private partnerships. To that end, the Commission has requested data from firms currently receiving RUS support to examine the potential impact of changes to the system and has been working closely with RUS to address related issues. The Commission will analyze the data we receive to determine the appropriate size of future recovery mechanisms and any necessary transitions to those mechanisms.

Please be assured that I understand your concerns, and that as we move forward, the Commission will fully take into account the needs of consumers in rural areas and carriers serving them. I appreciate the opportunity to provide feedback on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Genachowski", is written over the printed name.

Julius Genachowski